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PRODUCTION AND MARKETING ADMINISTRATION
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AGRICULTURAL MARKETING

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PART I: ----- 1948 CHANGES IN POTATO PRICE SUPPORT (PP 1-8)

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PART I: ----- 1948 CHANGES IN POTATO PRICE SUPPORT
($7\frac{1}{2}$ minutes)

ANNOUNCER: The marketing of America's food is of direct concern to everyone -- farmer, distributor and consumer. Today Station _____ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... The late crop of potatoes is in the ground now over most of the Northeast. And as they make their marketing plans for this season, potato growers want to know what the Government is going to do about price support this year. To answer part of that question we've invited _____ of the Production and Marketing Administration, to be with us today. That's the agency of the U. S. Department of Agriculture that handles the price support program.

PMA: And I'm glad you asked me to come in, _____, because we've been getting a lot of questions about potatoes. And we're anxious to clear up any confusion that exists about this year's program.

ANN: What's responsible for this confusion you speak of, _____? Are there many changes in the program for this year?

PMA: Only a few, _____. But they're important. And some of them... I'll grant you... are a little difficult to follow...

ANN: If you're talking about those grade and size requirements, _____ I agree with you.

PMA: That's what I'm talking about _____ -- guess you've been over this matter before. But actually, they're not difficult to understand, if you follow them through.

ANN: Well, I'm willing to be shown. How'll we start?

PMA: I'd like to start with "field-run" potatoes _____and point out that this year, the program will be just about the same as it was last year for all growers who customarily sell their potatoes to dealers on a field-run basis.

ANN: Just about the same?...

PMA: Yes _____ there's one change -- Growers taking part in the program will be allowed to sell field-run potatoes only to dealers who have a contract with the Department. Now, that will make very little difference either to the contracting dealers or to the growers who normally do business with them.

ANN: But as I understand it growers can make field run sales only to contracting dealers this year... whereas in previous years, they've been free to sell to any dealer.

PMA: That's right. And there's a simple explanation for this requirement -- it's part of the Department's effort to keep low-grade potatoes off the open market. Generally, even the best of field-run potatoes contain some culls and low grades.

ANN: And these low grades would get on to the commercial markets -- if all the field runs didn't go to the Department, or to contracting dealers to be graded.

PMA: That's the idea... and that's the only change in the grading provisions for this year's potato program that's important to those growers who sell their potatoes as field-run, and have a dealer do their grading for them.

ANN: Many of our growers in this area operate that way _____. But we're pretty proud of the increasing number of our producers who are market-minded, and are doing their own grading. What are the requirements for growers who do their own grading, and sell by grade?

PMA: Those growers need to know a little more about this year's program, _____. The important changes in this year's program for growers who do their own spud grading have to do with grades and sizes.

ANN: Those are the changes that are causing confusion to some farmers?

PMA: Yes, that's where most of the trouble centers. But I think a grower will find the changes pretty easy to understand if he thinks of just three classes into which all his potatoes are divided... You stop me, _____, if I start to mix you up...

ANN: I'll do that _____. What's the first of these classes?

PMA: This first group is made up of potatoes that may be sold commercially, without restriction... and which are also eligible for price support. In this class are all potatoes which grade better than "U.S. No. 1 Size B", or "U.S. No.2". All these higher grades should be sold through commercial channels. -- The Department will accept these grades for price support <u>only</u> when the grower is unable to get the equivalent of support prices in commercial markets.

ANN: That seems easy enough. A grower's best potatoes should be sold on the open market -- all those that grade better than "Bee's" or "Two's". And the Department will take those potatoes for price support only when the grower can't get support prices for them on the open market.

PMA: That's the idea... but notice where the line is drawn between those potatoes and the next group. In this second class are potatoes which may not be sold commercially...but which <u>are</u> eligible for price support. This class is made up of potatoes which meet the standards for "U.S. No. 1 Size B" or "U.S. No. 2 of 1-7/8 inches minimum diameter".

ANN: -- You say potatoes of these grades and sizes may not be sold commercially?

PMA: -- They can't be sold commercially by a participating grower. Growers can sell them only to the Department, or to its contracting dealers. -- Or -- with prior approval through the State P-M-A Committee -- to processors, livestock feeders or export outlets.

ANN: I'm with you so far. And I think that covers practically everything but the "culls", doesn't it?

PMA: Those culls are the third class -- potatoes that do not come up to the quality and size requirements for "U.S. No.1 Size B" or "U.S. No. 2 of 1-7/8 inch minimum diameter."

ANN: -- Are culls eligible for price support?

PMA: The Department won't buy them as culls, but it will handle any culls that are included in the lots of field-run potatoes it accepts.

ANN: -- Providing the Department accepts any field-runs.

PMA: -- Yes, the Department seldom buys field-run potatoes in price support operations. But curcumstances may come up in which such purchases will be authorized. In such a case, the Department would pay for its purchases of field-run potatoes on a grade-composition basis.

ANN: -- What about contracting dealers -- will they take culls?

PMA: They'll take them, in field-run lots, or separately -- but they're not obliged to pay any particular price for them.

ANN: And can growers move culls through diversionary outlets... that is, sell them for alcohol manufacture or livestock feed or some other such use?

PMA: -- Yes, so long as they get prior approval from the Department, growers can sell culls in normal processing, export, and feed outlets.

ANN: And that covers the changes in this year's potato price support program?

PMA: Just about _____. Of course, price support does not extend to potatoes suffering from certain defects, or grown under certain conditions.

ANN: I imagine that most growers know what those defects and conditions are?

PMA: I think so. They're spelled out in the agreements which growers sign when they apply to take part in the program. I don't think we need to go into them now... But what about those new size and quality requirements -- have I cleared them up for you a little?

ANN: I think so _____-- I'm familiar enough with those quality requirements. But about size... just what do you mean by "U.S. No. 1 Size B"?

PMA: "Bee's" meet the quality standards for "U.S. No. 1" grade, and range from 1-1/2 inches to not more than 2 inches in diameter. Any others?

ANN: Just one more... about the difference between those "U. S. No. 2's" that are eligible for price support -- and those that are not. Where is the line drawn?

PMA: -- For purposes of the price support program, theDepartment regards "U. S. No. 2's" as "culls" when they are less than 1-7/8 inch minimum diameter -- and it will not buy them for price support. But "two's" of 1-7/8 inches and larger <u>are</u> eligible for price support.

ANN: -- And "Two's", regardless of their size, may <u>not</u> be sold in commercial channels.

PMA: Not on the open market. Except that the Department may approve their sale for such uses as processing, exporting, and feeding.

ANN: That certainly makes things a lot clearer for me and I'm sure that you've answered a lot of questions about potato price support changes that have been bothering many growers in this area...

(USE FOLLOWING CLOSE IF PART I IS USED AS A SEPARATE SCRIPT.)

ANN: ... But our time seems to be about up now. Thanks very much for being with us again today, _____, on another of Station _____'s public service broadcasts on agricultural marketing... Friends, you have been listening to an interview with _____, of the Production and Marketing Administration. This program has been brought to you with the cooperation of the United States Department of Agriculture.

PART II: ----- FRUIT AND VEGETABLE CONTAINER STANDARDIZATION (7½ minutes)

(USE FOLLOWING INTRODUCTION IF PART II IS USED AS A SEPARATE SCRIPT.)

ANN: The marketing of America's food is of direct concern to everyone -- farmer, distributor, and consumer. Today, Station _____ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... Our guest today is _____, of the Production and Marketing Administration...

ANN: ... With potatoes in the ground all over the Northeast and more and more produce coming in from nearby farms, terminal city markets are beginning to take on their "summer look". Stalls are piled high with a large and colorful variety of fruits and vegetables. And this produce is packed in an infinite variety of containers -- baskets, crates, boxes, and sacks of every size, shape and material. As one of its duties the Production and Marketing Administration carries out two of the Federal laws dealing with the standardization of most types of fruit and vegetable containers. The story behind the standards that have been set up for many types of containers is an interesting one and one which is important to farmers, handlers, shippers, and consumers alike.

PMA: Containers are a pretty important part of this business of food marketing, _____. You can get an idea just how important they are when you realize that growers and shippers of fresh produce will be spending several million dollars this year to buy over a billion containers.

ANN: I'd hate to have the job of counting all of them, _____. Particularly when you realize that these billion containers are divided into so many different types -- lugs, till baskets, climax baskets, ...

PMA: ... Not to mention such things as special boxes and crates for different fruit and vegetable varieties, various kinds of sacks and cartons, as well as barrels.

ANN: It's easy to see, _____, why some standardization of all these different types is desirable..

PMA: That's right, _____. It's a lot less confusing to trade in a commodity if you have to think about only a few shapes and sizes of containers. Just to take an example from some of the packages for which standards have been established... Before 1916, there were 31 different types of Climax baskets in common use on American markets. Now there are only four standard types of Climax baskets. Or take berry boxes. At one time you could find 18 different kinds. That number has been cut down to three.

ANN: That kind of standardization makes it easier for everyone concerned.

PMA: Yes it does, _____. And aside from the fact that it lessens confusion in trading, cutting down the number of different sizes and shapes saves time and money all along the marketing chain. To begin with, it saves money for the container manufacturer . By concentrating on a few standard sizes he can cut costs and produce more containers more efficiently.

ANN: All of which benefits the grower and shipper by cutting the cost of the containers they need.

PMA: The producer and shipper stand to gain also by the fact that standard containers mean less loss and damage in transporting produce. It helps cut down unfair competition by discouraging use of the "short package." And don't forget, too, that by keeping down the number of container sizes on the market, they get market information in a lot clearer form than if they had to compare the prices of the produce in a great many different container sizes.

ANN: These benefits seem to snowball right down the line. I can see where rail and truck carriers will benefit by cutting down damage in transit. If the assortment of package sizes is made smaller by standardization, they can work out ways of stowing the produce more efficiently. And receivers, wholesalers, and retailers stand to gain by always knowing exactly what and how much they're buying and selling.

PMA: Down at the end of the marketing chain all these benefits add up to gains for the consumer when she goes to her local fruit and vegetable market.

ANN: I think we can agree pretty well that standardization of fruit and vegetable containers is a good thing for everyone concerned. But just how far does it go today?

PMA: Both the Federal Government and the State governments have taken a hand in setting some container standards,_____. As far back as 1922, the State of Massachusetts passed a law setting standards for retail sales of produce and grain. All told, there are now about 125 standards which have been set up by the laws of various States.

ANN: How about the Federal Government?

PMA: There are three Federal laws in the container field. Two of them -- the Federal Standard Containers Act of 1916 and 1928 -- are administered by P-M-A's fruit and vegetable branch. The third Federal law -- the Standard Barrel Act of 1915 -- is handled by the National Bureau of Standards.

ANN: And do the regulations under these acts cover all types of containers?

PMA: No, they don't _____. You probably know that most containers fall into one of four main types. One of them is baskets, including hampers of all kinds, berry boxes, and so on. Another is barrels. These two groups of containers are covered by the Federal Acts that I mentioned a moment ago.

ANN: I guess another group would include sacks of one sort or another.

PMA: Yes, and finally you have the class made up of cartons, crates, and boxes. These last two groups, by the way, make up the bulk of the containers which are used in normal produce trading.

ANN: But you just said that there were no Federal standards for these last two container types -- that is, the sacks and the group consisting of cartons, crates and boxes. So I guess there's still a long way to go before we can say that there is complete standardization in the fruit and vegetable container field.

PMA: Of course even though there are no Federal standards on these two container classes, a certain amount of uniformity has been achieved. For one thing some State laws set up standards for some of these types. And common usage in the trade has brought about what amounts to virtual standardization of some of these different containers. But there is still a lot of room for cutting down the number of different container types which you find on the market.

ANN: What accounts for all this variation among packages, _____?

PMA: Well one of the major reasons has been the use of a certain type of package for a particular food in one region, while a different type for the same product, is used in another area of the country. That kind of variation may have been quite alright when the containers were used only in a limited territory. But now that the trading area for produce has grown so that a commodity grown in any part of the country may be sold in any other part of the country, all these different regional types just create unnecessary and costly confusion.

ANN: Still, you have to recognize the need for making special containers for certain products. For example, it would never do to pack asparagus in the same kind of container which you use for tomatoes.

PMA: Oh, the need for special packages for certain items is pretty generally recognized. But it's very doubtful if we need as many different types and sizes as you find on the market today. I think it's pretty safe to say that extension of Federal standards on fruit and vegetable containers would be a pretty healthy thing for the produce industry.

ANN: Particularly with today's increased and increasing transportation, material, and labor costs, the benefits of more standardization would be felt all along the marketing chain... That seems to about cover the story on fruit and vegetable containers... Friends, you've been listening to an interview with _____, of the Production and Marketing Administration. This has been another of Station _____'s public service broadcasts on agricultural marketing, brought to you with the cooperation of the United States Department of Agriculture.

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